

While young families sometimes carry credit card debt that exceeds 15% of household income, this would be unwise for retirees on fixed or declining incomes. If you are faced with credit card balances, shop for the lowest interest rate that meets your credit needs, and consider making adjustments in your routine spending patterns. As with all households when debt becomes a burden, the choices are to increase income or reduce spending.

While credit costs vary significantly from institution to institution, retirees can shop for the best credit deal because the following credit information must be disclosed under the federal Truth in Lending Act:

- ◆ finance charge stated as a dollar amount

- All finance companies, stores, banks, credit unions, or credit card companies are required to disclose this information so that you can shop around for the best credit deal.

The Equal Credit Opportunity Act prohibits discrimination against an applicant for credit on the basis of sex, marital status, race, color, religion, national origin, age, or income from public assistance. The Act does not give you an automatic right to credit, but it does require that creditors apply the same standards of creditworthiness equally to all applicants. Prior to this law there were problems such as credit being cut off or reduced for retirees, no matter what their financial situation.

Several important trends will affect the adequacy of your financial resources in retirement.

- ◆ finance charge stated as a dollar amount

- Many Americans would rather "charge it" than save for it. While consumer credit remains an important financial tool in retirement, it must be carefully managed to avoid overspending of limited household resources.

## QUESTIONS TO THINK ABOUT:

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The Indiana Department of Financial Institutions,  
Division of Consumer Credit has many other  
credit related brochures available, such as:

Answers to Credit Problems  
Applying for Credit  
At Home Shopping Rights  
Bankruptcy Facts  
Buried in Debt  
Car Financing Scams  
Charge Card Fraud  
Choosing A Credit Card  
Co-Signing  
Credit and Divorce  
Credit and Older Consumers  
Deep in Debt?  
Equal Credit Opportunity  
Fair Credit Reporting  
Fair Debt Collection  
Gold Cards  
Hang up on Fraud  
High Rate Mortgages  
Home Equity Credit Lines  
How to Avoid Bankruptcy  
Indiana Uniform Consumer Credit Code  
Look Before you Lease  
Mortgage Loans  
Repossession  
Reverse Mortgage Loans  
Rule of 78s – What is it?  
Scoring for Credit  
Shopping for Credit  
Using Credit Cards  
Variable Rate Credit  
What is a Budget?  
What is the DFI?

Call our toll-free number or write to the address  
on the cover for a copy of any of the brochures  
listed or for further consumer credit information.



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# USING CREDIT IN RETIREMENT



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